HLS 09RS-589 ENGROSSED

Regular Session, 2009

HOUSE BILL NO. 637

# BY REPRESENTATIVES PONTI AND ARNOLD

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INDUSTRIAL DEVELOPMENT/BDS: Provides for changes to the Louisiana Industrialized Building Act

1	AN ACT
2	To amend and reenact R.S. 40:1730.53(2), (5)(a) and (d), and (6), 1730.60, 1730.62(B) and
3	(C)(introductory paragraph), and 1730.65(C)(1) and to enact R.S. 40:1730.53(5)(e),
4	(7), (8), and (9), 1730.63(C), 1730.67, and 1730.68, relative to the Industrialized
5	Building Act; to provide for changes to definitions; to provide for new definitions;
6	to provide for inspections by the fire marshal; to provide for exemptions for decals
7	or insignia; to provide for fees; to provide for the Industrialized Building Program
8	Fund; and to provide for related matters.
9	Be it enacted by the Legislature of Louisiana:
0	Section 1. R.S. 40:1730.53(2), (5)(a) and (d), and (6), 1730.60, 1730.62(B) and
1	(C) (introductory paragraph), and $1730.65(C)(1)$ are hereby amended and reenacted and R.S.
12	40:1730.53(5)(e), (7), (8), and (9), 1730.63(C), 1730.67, and 1730.68 are hereby enacted to
13	read as follows:
14	§1730.53. Definitions
15	As used in this Part, the following terms and phrases shall have the meaning
16	ascribed to them in this Section, unless the context clearly indicates otherwise:
17	* * *
18	(2) "Commercial building" means a structure used for any purpose other than
19	a single or multifamily residence one- and two-family dwelling or accessory to a
20	single or multifamily residence one- and two-family dwelling.
1	* * *

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1	(5) "Industrialized building" means a commercial structure that is the
2	following:
3	(a) Constructed in Erected or installed using one or more modules or
4	constructed using one or more modular components built that are constructed at a
5	location other than the commercial site.
6	* * *
7	(d) Includes a permanent commercial structure and a commercial structure
8	designed to be transported from one commercial site to another commercial site. but
9	does not include:
10	(I) (e) A commercial structure that exceeds Does not exceed three stories or
11	forty-nine feet in height as measured from the finished grade elevation at the
12	building entrance to the peak of the roof.
13	(ii) A commercial building or structure that is installed in a manner other
14	than on a permanent foundation and is either not open to the public or less than one
15	thousand five hundred square feet in total area and used other than as a school or a
16	place of religious worship.
17	(6) "Modular component" means a structural part of a building constructed
18	at a location other than the building commercial site in a manner that prevents the
19	construction from being adequately inspected for building code compliance at the
20	building commercial site without damage or removal and reconstruction of a part of
21	the building.
22	(7) "Fund" means the Industrialized Building Program Fund.
23	(8) "Module" means a three-dimensional section of industrialized building
24	designed and approved to be transported as a single section independent of other
25	sections, with or without modules or modular components, that prevents the
26	construction from being adequately inspected for building code compliance without
27	damage or removal and reconstruction of a part of the building.

1	(9) "Secretary" means the secretary of the Department of Public Safety and
2	Corrections.
3	* * *
4	§1730.60. Approval of design
5	A. Each page of the designs, plans, and specifications shall bear a stamp of
6	approval by the state fire marshal if the designs, plans, and specifications satisfy the
7	requirements set forth in R.S. 40:1730.59.
8	B. The state fire marshal may establish reasonable fees in order to implement
9	provisions of this Section.
10	* * *
11	§1730.62. Inspections
12	* * *
13	B. To ensure compliance with the building code or approved designs, plans,
14	and specifications, the state fire marshal or a registered third-party inspector shall
15	inspect the construction of industrialized buildings. The state fire marshal may allow
16	approved third-party inspectors to perform the inspections subject to the rules or
17	regulations adopted and promulgated by the council.
18	C. A building code enforcement officer, or a registered third-party inspector,
19	or the state fire marshal or his designee shall inspect all construction involving the
20	installation of industrialized buildings to ensure compliance with designs, plans, and
21	specifications, including the inspection of:
22	* * *
23	§1730.63. Decals or insignia
24	* * *
25	C. The state fire marshal may exempt by rule an industrialized building that
26	is installed in a manner other than on a permanent foundation and is either not open
27	to the public or less than one thousand five hundred square feet in total area and used
28	other than as a school or a place of religious worship.
29	* * *

1	§1730.65. Local government authority
2	* * *
3	C. A parish or municipality that regulates the on-site construction or
4	installation of industrialized buildings may:
5	(1) Require and review, for compliance with the building code, a complete
6	set copy of designs, plans, and specifications bearing the state fire marshal's stamped
7	approval for each installation of industrialized buildings.
8	* * *
9	<u>§1730.67. Fees</u>
10	The state fire marshal may establish by rule, adopted in accordance with the
11	Administrative Procedure Act, reasonable fees in order to implement the provisions
12	of this Part, not to exceed the following:
13	(1) Manufacturer registration, three hundred fifty dollars per year per
14	location.
15	(2) Dealer registration, two hundred fifty dollars per year.
16	(3) Plan review:
17	(a) Shall not exceed five hundred dollars for buildings of two thousand
18	square feet or less.
19	(b) Shall not exceed thirty cents per square foot for buildings over two
20	thousand square feet.
21	(4) Code equivalency review, one hundred dollars per review.
22	(5) Inspections, forty dollars per hour, including travel time.
23	(6) Decal or insignia issuance:
24	(a) For modules, seven cents per square foot of floor area, with a minimum
25	fee of twenty-five dollars.
26	(b) For components, two cents per square foot of surface area, with a
27	minimum fee of sixty cents.

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#### §1730.68. Industrialized Building Program Fund; distribution

A. All proceeds derived from the fees and all amounts received by the secretary from interest, fines, or penalties or any other source pursuant to the provisions of this Part shall be deposited with the state treasurer. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana, the state treasurer shall, each fiscal year, credit to the "Industrialized Building Program Fund", which is hereby created in the treasury, an amount equal to the amount of money paid into the treasury by the secretary pursuant to the provisions of this Section. All unexpended and unencumbered monies in the fund at the end of each fiscal year shall remain in the fund. The monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund. All interest earned on monies in the fund invested by the state treasurer shall be deposited in the fund.

B. Monies from the fund shall be appropriated and paid to the secretary at the beginning of each fiscal year to be distributed to the office of state fire marshal, code enforcement and building safety, and shall be used for the implementation of this Part.

### **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abstract: Provides for changes to the La. Industrialized Building Act.

<u>Present law</u> defines "commercial building", "industrialized building", and "modular component".

Proposed law changes the definitions of present law.

Proposed law defines "fund", "module", and "secretary".

<u>Present law</u> requires the state fire marshal's stamp of approval on certain designs, plans, and specifications.

<u>Present law</u> provides that the state fire marshal may establish reasonable fees for the implementation of <u>present law</u>.

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<u>Proposed law</u> repeals <u>present law</u> with regard to the establishment of fees.

<u>Present law</u> provides that the state fire marshal may allow approved third-party inspectors to perform the inspections subject to the rules or regulations adopted and promulgated by the council.

Proposed law repeals present law.

<u>Present law</u> provides that a building code enforcement officer or a registered third-party inspector shall inspect construction involving industrialized buildings to ensure compliance with designs, plans, and specifications.

<u>Proposed law</u> retains <u>present law</u> but provides that the state fire marshal or designee can inspect construction involving the installation of industrialized buildings.

<u>Present law</u> provides that the state fire marshal place decals or insignia on each transportable modular section or modular component to indicate compliance with the building code.

<u>Proposed law</u> retains <u>present law</u> but allows for the state fire marshal to exempt an industrialized building that is installed in a manner other than on a permanent foundation and is either not open to the public or less than 1,500 square feet in total area and used other than as a school or a place of religious worship.

<u>Present law</u> provides that a parish or municipality that regulates on-site construction or installation of industrialized buildings may require and review a complete set of designs, plans, and specifications bearing the state fire marshal's stamped approval for each installation of industrialized buildings.

<u>Proposed law</u> retains <u>present law</u> but allows for a copy of designs, plans, and specifications on-site.

<u>Proposed law</u> provides that the state fire marshal may establish by rule reasonable fees in order to implement the provisions of <u>present law</u>, not to exceed the following:

- (1) Manufacturer registration, \$350 per year per location.
- (2) Dealer registration, \$250 per year.
- (3) Plan review:
  - (a) Shall not exceed \$500 for buildings of 2,000 square feet or less.
  - (b) Shall not exceed \$0.30 per square foot for buildings over 2,000 square feet.
- (4) Code equivalency review, \$100 per review.
- (5) Inspections, \$40 per hour, including travel time.
- (6) Decal or insignia issuance:
  - (a) For modules, \$0.07 per square foot of floor area, with a minimum fee of \$25.
  - (b) For components, \$0.02 per square foot of surface area, with a minimum fee of \$0.60.

<u>Proposed law</u> provides that all proceeds derived from the fees and all amounts received by the secretary from interest, fines, or penalties or any other source pursuant to <u>present law</u> shall be deposited with the state treasurer. After compliance with the requirements of Const. Art. VII, §9(B), the state treasurer shall, each fiscal year, credit to the "Industrialized

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Building Program Fund", an amount equal to the amount of money paid into the treasury by the secretary pursuant to the provisions of <u>present law</u>. All unexpended and unencumbered monies in the fund at the end of each fiscal year shall remain in the fund. The monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund. All interest earned on monies in the fund invested by the state treasurer shall be deposited in the fund.

<u>Proposed law</u> provides that monies from the fund shall be appropriated and paid to the secretary at the beginning of each fiscal year to be distributed to the office of state fire marshal, code enforcement and building safety, and shall be used for the implementation of <u>present law</u>.

(Amends R.S. 40:1730.53(2), (5)(a) and (d), and (6), 1730.60, 1730.62(B) and (C)(intro. para.), and 1730.65(C)(1); Adds R.S. 40:1730.53(5)(e), (7), (8), and (9), 1730.63(C), 1730.67, and 1730.68)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by <u>House Committee on Commerce</u> to the <u>original</u> bill.

1. Changes the plan review fee structure.